

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 66, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 health.
- 4 SECTION 1. IC 12-15-11.5-3.1 IS ADDED TO THE INDIANA
- 5 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 6 [EFFECTIVE DECEMBER 30, 2004 (RETROACTIVE)]: **Sec. 3.1. (a)**
- 7 **The office or the office's managed care contractor may not provide**
- 8 **incentives or mandates to the primary medical provider to direct**
- 9 **individuals described in section 2 of this chapter to contracted**
- 10 **hospitals other than a hospital in a city where the patient resides.**
- 11 **(b) The prohibition in subsection (a) includes methodologies**
- 12 **that operate to lessen a primary medical provider's payment due**
- 13 **to the provider's referral of an individual described in section 2 of**
- 14 **this chapter to the hospital in the city where the individual resides.**
- 15 **(c) If a hospital's reimbursement for nonemergency services**
- 16 **that are provided to an individual described in section 2 of this**
- 17 **chapter is established by:**
- 18 **(1) statute; or**
- 19 **(2) an agreement between the hospital and the individual's**
- 20 **managed care contractor;**
- 21 **the hospital may not decline to provide nonemergency services to**
- 22 **the individual on the basis that the individual is enrolled in the**
- 23 **Medicaid risk based program.**
- 24 **(d) A hospital that provides services to individuals described**
- 25 **in section 2 of this chapter shall comply with eligibility verification**
- 26 **and medical management programs negotiated under the hospital's**

1 most recent contract or agreement with the office's managed care
2 contractor.

3 (e) Notwithstanding subsection (a), this section does not
4 prohibit the office or the office's managed care contractor from
5 directing individuals described in section 2 of this chapter to a
6 hospital other than a hospital in a city where the patient resides if
7 both of the following conditions exist:

8 (1) The patient is directed to a hospital other than a hospital
9 in a city where the patient resides for the purpose of
10 receiving medically necessary services.

11 (2) The type of medically necessary services to be received by
12 the patient cannot be obtained in a hospital in a city where
13 the patient resides.

14 (f) Actions taken after December 31, 2004, and before January
15 1, 2008, in accordance with this section are hereby declared legal
16 and valid, as if IC 12-15-11.5-3 had not expired.

17 (g) This section expires December 31, 2007.

18 SECTION 2. IC 12-15-11.5-4.2 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE DECEMBER 30, 2004 (RETROACTIVE)]: **Sec. 4.2. (a)**
21 **A hospital that:**

22 (1) does not have a contract in effect with the office's
23 managed care contractor; but

24 (2) previously contracted or entered into an agreement with
25 the office's managed care contractor for the provision of
26 services under the office's managed care program;

27 shall be reimbursed for services provided to individuals described
28 in section 2 of this chapter at rates equivalent to the rates
29 negotiated under the hospital's most recent contract or agreement
30 with the office's managed care contractor, as adjusted for inflation
31 by the inflation adjustment factor described in subsection (b).
32 However, the adjusted rates may not exceed the established
33 Medicaid rates paid to Medicaid providers who are not contracted
34 providers in the office's managed health care services program.

35 (b) For each state fiscal year beginning after June 30, 2001, an
36 inflation adjustment factor shall be applied under subsection (a)
37 that is the average of the percentage increase in the medical care
38 component of the Consumer Price Index for all Urban Consumers
39 and the percentage increase in the Consumer Price Index for all
40 Urban Consumers, as published by the United States Bureau of
41 Labor Statistics, for the twelve (12) month period ending in March
42 preceding the beginning of the state fiscal year.

43 (c) Actions taken after December 31, 2004, and before January
44 1, 2008, in accordance with this section are hereby declared
45 legalized and valid, as if IC 12-15-11.5-4.1 had not expired.

46 (d) This section expires December 31, 2007.

47 SECTION 3. THE FOLLOWING ARE REPEALED
48 [EFFECTIVE DECEMBER 31, 2004 (RETROACTIVE)]
49 IC 12-15-11.5-3; IC 12-15-11.5-4.1.

50 SECTION 4. An emergency is declared for this act.

(Reference is to SB 66 as introduced.)

and when so amended that said bill be reassigned to the Senate Committee on Health and Provider Services.

GARTON Chairperson